

**LAFAYETTE PARISH BAYOU
VERMILION DISTRICT
LAFAYETTE, LOUISIANA
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 25 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lafayette Parish Bayou Vermilion District
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013, on our consideration of the Lafayette Parish Bayou Vermilion District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Parish Bayou Vermilion District's internal control over financial reporting and compliance.

***Wright, Moore, DeHart,
Dupuis & Hutchinson***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 3, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$2,286,362	\$ 175,962	\$2,462,324
Receivables, net	-	12,018	12,018
Internal balances	208,054	(208,054)	-
Due from other governmental units	1,340,921	-	1,340,921
Inventory	-	38,670	38,670
Total current assets	<u>3,835,337</u>	<u>18,596</u>	<u>3,853,933</u>
Noncurrent assets			
Land	90,000	-	90,000
Capital assets, net	<u>1,268,767</u>	<u>1,326,912</u>	<u>2,595,679</u>
Total noncurrent assets	<u>1,597,272</u>	<u>1,326,912</u>	<u>2,924,184</u>
Total assets	<u>\$5,432,609</u>	<u>\$1,345,508</u>	<u>\$6,778,117</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	\$ 29,377	\$ 20,573	\$ 49,950
Deferred revenue	1,332,111	18,850	1,350,961
Due to other governments	-	4,507	4,507
Bonds payable	90,000	-	90,000
Accrued interest	<u>18,006</u>	<u>-</u>	<u>18,006</u>
Total current liabilities	<u>1,469,494</u>	<u>43,930</u>	<u>1,513,424</u>
Noncurrent liabilities			
Bonds payable	<u>1,345,000</u>	<u>-</u>	<u>1,345,000</u>
Total noncurrent liabilities	<u>1,345,000</u>	<u>-</u>	<u>1,345,000</u>
Total liabilities	<u>\$2,814,494</u>	<u>\$ 43,930</u>	<u>\$2,858,424</u>
NET POSITION			
Invested in capital assets, net of related debt	\$1,132,443	\$1,326,912	\$2,459,355
Restricted for debt service	1,085,789	-	1,085,789
Unrestricted	<u>399,883</u>	<u>(25,334)</u>	<u>374,549</u>
Total net position	<u>\$2,618,115</u>	<u>\$1,301,578</u>	<u>\$3,919,693</u>

The accompanying notes are an integral part of the basic financial statements

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Statement of Activities
For the Year Ended December 31, 2012

Activities	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental activities.						
General government	\$ 1,266,722	\$ -	\$ 45,178	\$ (1,221,544)	\$ -	\$ (1,221,544)
Interest on long-term debt	56,543	-	-	(56,543)	-	(56,543)
Total governmental activities	<u>1,323,265</u>	<u>-</u>	<u>45,178</u>	<u>(1,278,087)</u>	<u>-</u>	<u>(1,278,087)</u>
Business-type activities						
Vermilionville	<u>1,227,473</u>	<u>1,006,875</u>	<u>-</u>	<u>-</u>	<u>(220,598)</u>	<u>(220,598)</u>
Total business-type activities	<u>1,227,473</u>	<u>1,006,875</u>	<u>-</u>	<u>-</u>	<u>(220,598)</u>	<u>(220,598)</u>
Total	<u>\$ 2,550,738</u>	<u>\$ 1,006,875</u>	<u>\$ 45,178</u>	<u>(1,278,087)</u>	<u>(220,598)</u>	<u>(1,498,685)</u>
General revenues.						
Taxes -						
Property taxes, levied for general purposes				1,388,730	-	1,388,730
Interest and investment earnings				16,473	-	16,473
Miscellaneous				10,009	13,777	23,786
Transfers				<u>(56,031)</u>	<u>56,031</u>	<u>-</u>
Total general revenues and transfers				<u>1,359,181</u>	<u>69,808</u>	<u>1,428,989</u>
Change in net position				81,094	(150,790)	(69,696)
Net position - January 1, 2012				<u>2,537,021</u>	<u>1,452,368</u>	<u>3,989,389</u>
Net position - December 31, 2012				<u>\$ 2,618,115</u>	<u>\$ 1,301,578</u>	<u>\$ 3,919,693</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**Balance Sheet
Governmental Funds
December 31, 2012**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	\$ 697,402	\$ 1,103,795	\$ 485,165	\$2,286,362
Due from other funds	148,804	-	-	148,804
Due from other governments	1,177,121	163,800	-	1,340,921
Advance to other fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
 Total assets	 <u>\$2,083,327</u>	 <u>\$ 1,267,595</u>	 <u>\$ 485,165</u>	 <u>\$3,836,087</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,327	\$ -	\$ -	\$ 8,327
Due to other funds	-	-	750	750
Accrued expenses	21,050	-	-	21,050
Deferred revenues	<u>1,168,311</u>	<u>163,800</u>	<u>-</u>	<u>1,332,111</u>
Total liabilities	<u>1,197,688</u>	<u>163,800</u>	<u>750</u>	<u>1,362,238</u>
 Fund balances -				
Restricted	-	1,103,795	-	1,103,795
Assigned	-	-	484,415	484,415
Unassigned	<u>885,639</u>	<u>-</u>	<u>-</u>	<u>885,639</u>
Total fund balances	<u>885,639</u>	<u>1,103,795</u>	<u>484,415</u>	<u>2,473,849</u>
 Total liabilities and fund balances	 <u>\$2,083,327</u>	 <u>\$ 1,267,595</u>	 <u>\$ 485,165</u>	 <u>\$3,836,087</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2012

Total fund balances for governmental funds at December 31, 2012 \$ 2,473,849

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of

Land	\$ 90,000	
Buildings, net of \$79,896 accumulated depreciation	194,410	
Site improvements, net of \$1,395,252 accumulated depreciation	879,096	
Equipment, net of \$460,366 accumulated depreciation	<u>195,261</u>	1,597,272

Long-term liabilities at December 31, 2012:

Bonds payable	(1,435,000)	
Accrued interest payable	<u>(18,006)</u>	<u>(1,453,006)</u>

Total net position of governmental activities at December 31, 2012 \$ 2,618,115

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2012**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Ad valorem taxes	\$1,224,998	\$ 163,732	\$ -	\$1,388,730
Intergovernmental	45,178	-	-	45,178
Interest	6,538	5,785	4,150	16,473
Miscellaneous	10,009	-	-	10,009
Total revenues	<u>1,286,723</u>	<u>169,517</u>	<u>4,150</u>	<u>1,460,390</u>
Expenditures:				
Current -				
General government	1,042,004	5,902	82,247	1,130,153
Capital outlay	6,391	-	552,780	559,171
Debt service -				
Principal paid	-	85,000	-	85,000
Interest and fiscal charges	-	57,804	-	57,804
Total expenditures	<u>1,048,395</u>	<u>148,706</u>	<u>635,027</u>	<u>1,832,128</u>
Excess (deficiency) of revenues over expenditures	238,328	20,811	(630,877)	(371,738)
Other financing uses				
Transfers out	<u>(56,031)</u>	<u>-</u>	<u>-</u>	<u>(56,031)</u>
Excess (deficiency) of revenues over expenditures and other uses	182,297	20,811	(630,877)	(427,769)
Fund balances, beginning	<u>703,342</u>	<u>1,082,984</u>	<u>1,115,292</u>	<u>2,901,618</u>
Fund balances, ending	<u>\$ 885,639</u>	<u>\$1,103,795</u>	<u>\$ 484,415</u>	<u>\$2,473,849</u>

The accompanying notes are an integral part of the basic financial statements

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2012.

Total net changes in fund balances at December 31, 2012 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$(427,769)

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 559,171	
Depreciation expense for the year ended December 31, 2012	<u>(136,569)</u>	422,602

Governmental funds report bonded debt repayments as expenditures.
However, this expenditure does not appear in the statement of activities
since the payment is applied against the bond payable balance on the
statement of net assets

85,000

Difference between interest on long-term debt on modified accrual basis
versus interest on long-term debt on accrual basis

1,261

Total changes in net position at December 31, 2012 per Statement of Activities \$ 81,094

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Statement of Net Position Proprietary Fund December 31, 2012

ASSETS

Current assets	
Cash and interest-bearing deposits	\$ 175,962
Accounts receivable	12,018
Inventory	<u>38,670</u>
Total current assets	<u>226,650</u>
Noncurrent assets.	
Buildings	3,405,063
Equipment	319,814
Furniture and fixtures	93,120
Leasehold improvements	1,499,523
Artifacts	182,729
Accumulated depreciation	<u>(4,173,337)</u>
Total noncurrent assets	<u>1,326,912</u>
Total assets	<u>\$ 1,553,562</u>

LIABILITIES

Current liabilities	
Accounts payable	\$ 6,282
Accrued liabilities	14,291
Deferred revenues	18,850
Due to other funds	148,054
Due to other governments	<u>4,507</u>
Total current liabilities	191,984
Advance to other fund	<u>60,000</u>
Total liabilities	<u>\$ 251,984</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 1,326,912
Unrestricted	<u>(25,334)</u>
Total net position	<u>\$ 1,301,578</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 Year ended December 31, 2012

Operating revenues:	
Charges, fees and sales -	
Gate admission and programs	\$ 217,118
Memberships	15,029
Restaurant and special events	644,752
Gift shop	129,976
Miscellaneous -	
Interest income	678
Other	13,099
Total operating revenues	<u>1,020,652</u>
Operating expenses:	
Restaurant	623,260
Gift shop	119,965
Programming	260,657
General and administrative	121,966
Depreciation	101,625
Total operating expenses	<u>1,227,473</u>
Operating loss	(206,821)
Other financing sources	
Operating transfers in	<u>56,031</u>
Net loss	(150,790)
Net position, beginning	<u>1,452,368</u>
Net position, ending	<u>\$1,301,578</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2012

Cash flows from operating activities:	
Receipts from customers	\$ 1,006,800
Payments to suppliers	(338,317)
Payments to employees	<u>(797,114)</u>
Net cash used by operating activities	<u>(128,631)</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	<u>204,085</u>
Net cash provided by noncapital financing activities	<u>204,085</u>
Net increase in cash and cash equivalents	75,454
Cash and cash equivalents, beginning of period	<u>100,508</u>
Cash and cash equivalents, end of period	<u>\$ 175,962</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (206,821)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	101,625
Changes in current assets and liabilities:	
Accounts receivable	(11,268)
Inventory	(10,209)
Due to other governments	(1,507)
Accounts payable	(1,345)
Accrued expenses	3,479
Deferred revenues	<u>(2,585)</u>
Net cash used by operating activities	<u>\$ (128,631)</u>

The accompanying notes are an integral part of the basic financial statements

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lafayette Parish Bayou Vermilion District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

Lafayette Parish Bayou Vermilion District is a corporate body created under Chapter 32 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33 9201 through 33:9210. The District is governed by a Board of Commissioners composed of nine members. Two members are appointed by the chief executive officers of the incorporated municipalities of Lafayette Parish other than the City of Lafayette; one member is appointed by the chief executive officer of the Lafayette Consolidated Government, three members, one of whom shall be a black citizen, shall be appointed by the governing authority of the City of Lafayette; one member shall be appointed by the chief executive officer of Lafayette Parish, and two members shall be appointed by the governing authority of the Lafayette Consolidated Government.

The District's purpose is that of improving the water quality and the aesthetics of the Bayou Vermilion within the Parish of Lafayette in an effort to promote the bayou as a recreational and cultural asset, to create and control a new type of viable economic development adjacent to Bayou Vermilion so as to provide a diversified economic base for the City and Parish of Lafayette, and to do any and all other acts which would enhance the general condition of Bayou Vermilion.

The financial reporting entity consists of (a) the primary government (the "District"), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lafayette Parish Bayou Vermilion District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- 2 Organizations for which the District does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District has determined that there are no component units to be included in these financial statements and therefore these financial statements present only the primary government.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the District are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria.

- a Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- c. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District are described below.

Governmental Funds:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

Proprietary Fund:

Enterprise Fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise fund included in the financial statements is Vermilionville.

Vermilionville began operations on April 1, 1990. Vermilionville operates as a commemorative museum of living history which preserves and re-creates the elements of folk life of the cultures who settled the Attakapas area of South Louisiana between 1765 and 1890. Services are financed by user charges, membership fees, and sales of food, beverages and souvenirs.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied

Measurement Focus -

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting -

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property taxes as available in the year following the assessment when the majority of the taxes are actually collected. Other major revenues susceptible to accrual are earned grant revenues, other intergovernmental revenues and interest revenue. The District reports deferred revenue on its balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Deferred revenues also arise when resources are received by the District prior to the District incurring qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts and time deposits of the District.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Under State law, the District may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Activity between funds that are representative of lending/borrowing arrangements usually for working capital purposes with the expectation of repayment but not expected to be repaid within one year are referred to as advances to / from other funds.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes. Ad valorem taxes receivable is included in due from other governments. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at December 31, 2012.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows.

Buildings	30-40 years
Site Improvements	20 years
Equipment	5-10 years
Furniture and Fixtures	7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave are reported in the government-wide statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The employees of the District earn annual leave in an amount of 8 hours per month. Annual leave may be carried forward provided the amount carried forward does not exceed an employee's annual earning rate at that time. Unused annual leave (in excess of what can be carried forward) is credited to the employee's sick leave balance. Upon termination, employees are paid for all accumulated annual leave.

Sick leave is credited to the employees at the rate of 8 hours per month. All unused sick leave is carried forward from year to year. Upon retirement or separation, employees are paid at their regular rate for any sick leave hours credited in excess of 960 hours.

The amount of annual leave payable from future resources is considered immaterial at December 31, 2012 and is not reflected in the financial statements

Fund Balance

In the government-wide and proprietary fund financial statements, the District classifies net position and displayed in three components as follows:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. The District elected to implement GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in fiscal year 2011. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

- a. Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2012, by the District are nonspendable in form. The District has not reported any amounts that are legally or contractually required to be maintained intact

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- b. Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation
- c. Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the District who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the District.
- d. Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District or his designee may assign amounts to this classification.
- e. Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in his commitment or assignment actions.

Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments. All annual appropriations lapse at fiscal year end.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid expenses.

Inventories

Inventories of the proprietary fund are valued at the lower of cost or market. Inventory consists of gift shop merchandise and restaurant food and beverages.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Impact of Recently Issued Accounting Principles

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the District's financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

B. LEGAL COMPLIANCE - BUDGETS

A modified accrual basis budget for the General Fund is formally adopted by the District prior to the beginning of the year. After its adoption, adjustments to the budget for transfers between funds and/or functions, changes in the capital budget, or for appropriation of unobligated funds must be approved by the Board. All appropriations for expenditures lapse at year end. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. The budget is prepared by function and activity and includes information on the past year, current year estimates and requested appropriations for the next year.

The proposed budget is presented by the Executive Director to the Board of Commissioners for review. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Executive Director or the estimates must be changed by an affirmative vote of a majority of the Board.

C. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the District has cash and interest-bearing deposits (book balances) totaling \$2,462,324.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2012, are secured as follows:

Bank balances	<u>\$2,527,599</u>
Federal deposit insurance	\$ 250,000
Pledged securities (Category 3)	<u>2,921,186</u>
Total federal insurance and pledged securities	<u>\$3,171,186</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

Receivables and due from other governmental units at December 31, 2012 of \$1,352,939 consist of the following:

	Governmental Activities	Business-type Activities	Total
Ad valorem taxes	\$ 1,340,921	\$ -	\$ 1,340,921
Other	<u>-</u>	<u>12,018</u>	<u>12,018</u>
Totals	<u>\$ 1,340,921</u>	<u>\$ 12,018</u>	<u>\$ 1,352,939</u>

E. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied by the District in October and were billed to the taxpayers by the Lafayette Parish Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year following the assessment, when the majority of the taxes are actually collected.

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Lafayette Parish Sheriff. The taxes are remitted to Lafayette Parish Bayou Vermilion District net of deductions for Pension Fund contributions.

For the year ended December 31, 2012, taxes were dedicated as follows:

General maintenance	0.71
Debt service	0.10

F. ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2012:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 8,327	\$ 6,282	\$ 14,609
Other liabilities	<u>21,050</u>	<u>14,291</u>	<u>35,341</u>
Totals	<u>\$ 29,377</u>	<u>\$ 20,573</u>	<u>\$ 49,950</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

G. CAPITAL ASSETS

	<u>Balance 01/01/12</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 12/31/12</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 90,000	\$ -	\$ -	\$ 90,000
Construction in progress	-	238,505	-	238,505
Total	<u>90,000</u>	<u>238,505</u>	<u>-</u>	<u>328,505</u>
Other capital assets				
Buildings	269,218	5,091	-	274,309
Site improvements	2,019,689	254,659	-	2,274,348
Equipment	594,711	60,916	-	655,627
Totals	<u>2,883,618</u>	<u>320,666</u>	<u>-</u>	<u>3,204,284</u>
Less accumulated depreciation.				
Buildings	68,695	11,204	-	79,899
Site improvements	1,319,131	76,121	-	1,395,252
Equipment	411,122	49,244	-	460,366
Total accumulated depreciation	<u>1,798,948</u>	<u>136,569</u>	<u>-</u>	<u>1,935,517</u>
Governmental activities, capital assets, net	<u>\$1,174,670</u>	<u>\$ 184,097</u>	<u>\$ -</u>	<u>\$1,358,767</u>
Business-type activities:				
Capital assets not being depreciated.				
Artifacts	\$ 182,729	\$ -	\$ -	\$ 182,729
Other capital assets:				
Buildings	3,405,063	-	-	3,405,063
Site improvements	1,499,523	-	-	1,499,523
Equipment	319,814	-	-	319,814
Furniture and fixtures	93,120	-	-	93,120
Totals	<u>5,500,249</u>	<u>-</u>	<u>-</u>	<u>5,500,249</u>
Less accumulated depreciation.				
Vermilionville	<u>4,071,712</u>	<u>101,625</u>	<u>-</u>	<u>4,173,337</u>
Business-type activities, capital assets, net	<u>\$1,428,537</u>	<u>\$(101,625)</u>	<u>\$ -</u>	<u>\$1,326,912</u>

Depreciation expense for the governmental activities in the amount of \$136,569 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$101,625 was charged to Vermilionville

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

H. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2012:

Long-term debt payable, January 1, 2012	\$ 1,520,000
Long-term debt issued	-
Long-term debt retired	<u>(85,000)</u>
Long-term debt payable, December 31, 2012	<u>\$ 1,435,000</u>

Long-term debt payable at December 31, 2012 is comprised of the following individual issue:

General Obligation Bonds.

\$2,000,000 General obligation bonds, Series 2004, due in annual installments of \$60,000 to \$155,000 through March 1, 2024, interest at .10 percent to 4.50 percent; payable from ad valorem taxes.

\$ 1,435,000

The bonds are due as follows

<u>Year ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2013	\$ 90,000	\$ 54,018
2014	95,000	49,900
2015	100,000	46,213
2016	105,000	43,009
2017	110,000	39,540
2018-2022	635,000	130,362
2023-2024	<u>300,000</u>	<u>12,962</u>
Total	<u>\$ 1,435,000</u>	<u>\$ 376,004</u>

I. LEASE AND INTERGOVERNMENTAL AGREEMENTS

- A The District entered into a lease agreement with the City of Lafayette, the Parish of Lafayette, and the Lafayette Airport Commission for Beaver Park property for the construction and operation of the Vermilionville Project. The lease commenced on August 17, 1987 with monthly payments of \$100 due on the first day of each month, with an annual CPI adjustment option, current monthly payments are \$1,250. The lease shall extend for a time period of seventy-one years. Property lease expenditure in the amount of \$15,000 is included in the General Fund's statement of revenues and expenditures for the year ended December 31, 2012.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

I. LEASE AND INTERGOVERNMENTAL AGREEMENTS - continued

- B. The District entered into an intergovernmental agreement with the State of Louisiana Department of Transportation and Development on August 4, 1987 to use the land and airspace of the Interstate Route I-10 over the Vermilion River between Louisiana Avenue and Calais Road for the purpose of constructing, operating, and maintaining a public boat launch.
- C. Lafayette Parish Bayou Vermilion District and Lafayette Airport Commission entered into an agreement on April 5, 1989 for the Beaver Park property for a period of 20 years with monthly lease payments of \$550 on the first day of the month following the opening of the Vermilionville Project. The lease was renewed on April 5, 2009 for an additional ten years with a monthly lease payment of \$393. Land rent expense in the amount of \$4,716 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2012.

Future minimum lease payments under these operating leases are as follows:

Year Ended December 31,	
2013	\$ 19,716
2014	19,716
2015	19,716
2016	19,716
2017	19,716
2018-2022	68,712
2023-2027	75,000
2028-2032	75,000
2033-2037	75,000
2038-2042	75,000
2043-2047	75,000
2048-2052	75,000
2053-2057	75,000
2058	10,000
	<u>\$ 702,292</u>

J. BOARD MEMBERS COMPENSATION

No per diem or other compensation was paid to the members of Lafayette Parish Bayou Vermilion District for the year ended December 31, 2012.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

K. RETIREMENT COMMITMENTS

All employees of the Lafayette Parish Bayou Vermilion District are members of the Social Security System. The District and its employees contribute a percentage of each employee's salary to the System (7 65 percent contributed by the District; 5 65 percent by the employee). The District's contribution during the year ended December 31, 2012 amounted to \$59,191.

L. RISK MANAGEMENT

The District is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

M. INTERFUND TRANSACTIONS

1. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2012

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 148,804	\$ -
Capital Projects Fund	-	750
Enterprise Fund	-	148,054
Total	<u>\$ 148,804</u>	<u>\$ 148,804</u>

2. Operating transfers

Operating transfers consisted of the following at December 31, 2012:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 56,031
Enterprise Fund	56,031	-
Total	<u>\$ 56,031</u>	<u>\$ 56,031</u>

Transfers are used to transfer unrestricted revenues collected in different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH BAYOU VERMILION DISTRICT
General Fund

Budgetary Comparison Schedule
Year Ended December 31, 2012

	2012			Variance -
	Budget		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 1,198,000	\$ 1,219,615	\$ 1,224,998	\$ 5,383
Intergovernmental	42,000	44,900	45,178	278
Interest	5,400	6,830	6,538	(292)
Miscellaneous	1,000	10,435	10,009	(426)
Total revenues	<u>1,246,400</u>	<u>1,281,780</u>	<u>1,286,723</u>	<u>4,943</u>
Expenditures:				
Current -				
General government	1,145,085	1,079,343	1,042,004	37,339
Capital outlay	<u>5,000</u>	<u>6,500</u>	<u>6,391</u>	<u>109</u>
Total expenditures	<u>1,150,085</u>	<u>1,085,843</u>	<u>1,048,395</u>	<u>37,448</u>
Excess of revenues over expenditures	96,315	195,937	238,328	42,391
Other financing uses:				
Transfers out	<u>-</u>	<u>(60,000)</u>	<u>(56,031)</u>	<u>3,969</u>
Total other financing uses	<u>-</u>	<u>(60,000)</u>	<u>(56,031)</u>	<u>3,969</u>
Excess (deficiency) of revenues over expenditures and other uses	96,315	135,937	182,297	46,360
Fund balance, beginning	<u>703,342</u>	<u>703,342</u>	<u>703,342</u>	<u>-</u>
Fund balance, ending	<u>\$ 799,657</u>	<u>\$ 839,279</u>	<u>\$ 885,639</u>	<u>\$ 46,360</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. BASIS OF ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) Budgeted amounts are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

**COMPLIANCE
AND
INTERNAL CONTROL**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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TANYA L. MIGUES, CPA

WENDY ORTEGO, CPA, CVA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

The Board of Commissioners
Lafayette Parish Bayou Vermilion District
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Lafayette Parish Bayou Vermilion District's basic financial statements, and have issued our report thereon dated June 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette Parish Bayou Vermilion District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Bayou Vermilion District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish Bayou Vermilion District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 3, 2013

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2012

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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CURRENT YEAR (12/31/12) --

Compliance.

There are no findings required to be reported under Government Auditing Standards

Internal Control.

There are no items required to be reported under Government Auditing Standards

PRIOR YEAR (12/31/2011) --

Compliance.

There are no findings required to be reported under Government Auditing Standards

Internal Control.

There are no items required to be reported under Government Auditing Standards